



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, D.C. 20240



February 18, 2015

Re: **864 South Peters Street, New Orleans, Louisiana**
Project Number: **30374**

Dear :

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 C.F.R. part 67) governing certifications for federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank
and for meeting with me in Washington on December 16, 2014,
and for providing a detailed account of the project.

After careful review of the complete record for this project, including comments submitted after the appeal meeting, I have determined that the proposed rehabilitation of 864 South Peters Street is not consistent with the historic character of the property and the historic district in which it is located, and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial issued on December 2, 2014, by TPS is hereby affirmed.

The two-story warehouse (built 1900 – 1901) at 864 S. Peters St. was certified as contributing to the significance of the National Register-listed Upper Central Business District on May 2, 2014. The proposed rehabilitation of this “certified historic structure” was found not to meet the Standards owing to the planned construction of a five-story addition on the adjacent vacant lot; the new construction would connect to the property under review, and would use the roof of the historic building for tenant amenities.

I concur with the assessment of TPS that the proposed new addition is incompatible with the historic character of 864 South Peters Street, and with its environment. Its construction would bring the project into conflict with Standard 9. Standard 9 states: “*New additions, exterior*

alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment."

The primary, character defining element of the entire block bounded by South Peters, St. Joseph, Fulton, and Julia Streets, is that it is comprised entirely of two-story, masonry warehouse buildings. The block is nearly intact in its historic context except for the empty lot on which the new construction is proposed, which was also a two-story warehouse until its loss following Hurricane Katrina. I have determined that inserting a five-story building in this particular location would overwhelm the scale and massing of 864 South Peters Street as well as the remaining two-story structures on the block, thus damaging the historic integrity of the property, its immediate environment, and the surrounding historic district.

At our meeting, _____ discussed the Upper Central Business District, showing images of historic buildings that are taller than two stories. He also showed newer buildings in the area, many of which are much taller than 864 South Peters Street. I acknowledge that not every historic building in the district is two stories, and that other tall new construction has encroached on the integrity of the district. However, I find that his argument that the surrounding blocks in the historic district should be used as a rationale for approving this particular project is unconvincing. The fact that other blocks have lost, or have retained less, of their historic integrity, is not a valid basis for approval.

_____ also noted that the New Orleans central business district zoning requires a minimum building height for new construction of three stories in this block. However, you are proposing a five-story building, two stories of which will be dedicated to off-street parking, also mandated by city code. Please note that the regulations governing the program state, "*The Secretary's Standards for Rehabilitation take precedence over other regulations and codes in determining whether the rehabilitation project is consistent with the historic character of the property and, where applicable, the district in which it is located.*" [36 C.F.R. part 67.7(e)]. Accordingly, these are not valid arguments for approval.

Further, the regulations also state that, "*In situations involving rehabilitation of a certified historic structure in a historic district, the Secretary will review the rehabilitation project first as it affects the certified historic structure and second as it affects the district and make a certification decision accordingly.*" [36 C.F.R. part 67.6(b)(6)]. And with respect to this matter, I find that the proposed new construction is also at odds with the historic character of the Upper Central Business District. The portion of the district surrounding 864 South Peters is close to the Mississippi River and its significance derives from the low-rise warehouse buildings that characterized the area. This block, intact except for the warehouse lost in Hurricane Katrina, is one of the few remaining blocks that represent the original character of the warehouse district. In addition, I note that _____ stated that the New Orleans central business district zoning was recently modified to reduce the allowable height limits, an indication that the city recognizes and is taking steps to protect the low-rise character of the area.

The proposed exterior material of the new addition—Corten steel, chosen as a visual allusion to International Shipholding Corporation's (ISC's) vessels and to the shipping containers they transport—would also detract from the historic character of 864 South Peters Street. Although your representatives stated ISC's willingness to change the facade material, I find that changing the exterior cladding would not suffice to bring the overall project into conformance with the Standards.

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the December 2, 2014, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John A. Burns', with a stylized, flowing script.

John A. Burns, FAIA
Chief Appeals Officer
Cultural Resources

cc: SHPO-LA
IRS